

U.S. Census Bureau News

U.S. Department of Commerce • Washington, D.C. 20233

U.S. Census Bureau Contact:

Yolando St. George (301) 763-6600

John Seabold (301) 763-3386

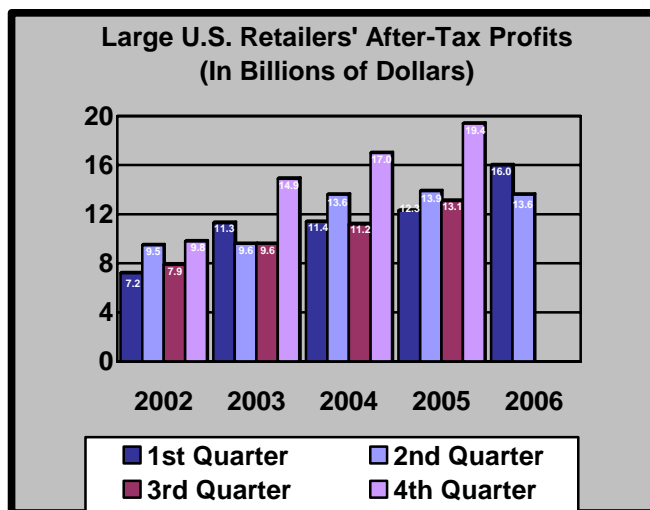
e-mail: csd.qfr@census.gov

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SECOND QUARTER 2006 ADVANCE DATA FROM THE QUARTERLY FINANCIAL REPORT LARGE U.S. RETAIL TRADE CORPORATIONS



After-tax profits of U.S. retail corporations with assets of \$50 million and over totaled \$13.6 billion in the second quarter 2006, down \$2.4 (± 0.2) billion from the \$16.0 billion of the preceding quarter, and down \$0.3 (± 0.2) billion from \$13.9 billion of the same quarter a year ago, the U.S. Census Bureau reported. Sales in the second quarter 2006, at \$484.2 billion, were up \$20.1 (± 3.1) billion or 4.3 percent ($\pm 0.7\%$) from the \$464.1 billion of last quarter, and up \$41.6 (± 3.0) billion or 9.4 percent ($\pm 0.7\%$) from the \$442.6 billion of the second quarter of 2005. These data are not adjusted for seasonality.

After-tax profits for these corporations averaged 2.8 cents per dollar of sales for the second quarter of 2006, down 0.6 (± 0.1) cent from the 3.4 cents of the preceding quarter, and down 0.3 (± 0.1) cent from the 3.1 cents recorded in the second quarter of 2005.

The annual rate of after-tax profits on stockholders' equity in the second quarter of 2006 was 14.5 percent, down 2.6 percent ($\pm 0.2\%$) from the 17.1 percent of the first quarter of 2006, and down 1.9 percent ($\pm 0.2\%$) from the 16.4 percent of the second quarter of 2005.

NOTE

These data are based on quarterly financial reports obtained from approximately 500 corporations. More detailed information on the retail trade sector for the second quarter 2006 will be published in the Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations - Third Quarter 2006 (QFR-06-3), scheduled for release on December 12, 2006.

SAMPLING

The data presented in this report are estimated from a sample survey and therefore are subject to sampling variability as well as nonsampling variability such as response error, nonreporting, and coverage errors. Estimates of sampling variability are presented in the publication. A statement such as "up 2.5 (± 0.2) cents", appearing in the text, indicates the range (+2.3 to +2.7 cents) in which the actual change is likely to have occurred. The range given for the change is a 90% confidence interval that accounts only for sampling variability. If the range had contained zero (0), it would have been uncertain whether there was an increase or decrease; that is, the change would not have been statistically significant. For any comparison cited without a confidence interval, the change is statistically significant at the 90% confidence level. The quarterly publication includes more detailed explanations of confidence intervals and sampling variability, along with additional measures of sampling variability.

DATA AVAILABILITY

This press release can be viewed today in page image format (.pdf) at the internet website <http://www.census.gov/csd/qfr>. More detailed information on U.S. Manufacturing, Mining, and Wholesale and Retail Trade Corporations is available for downloading at our website under "QFR Products: Publication". The publication includes statements of income and retained earnings, balance sheets, and related financial and operating ratios. Data presented are classified by industry and asset size.

Third quarter 2006 advance data for U.S. Manufacturing, Mining, and Wholesale Trade Corporations are scheduled for release on December 12, 2006, and for U.S. Retail Trade Corporations on January 9, 2007.

Table 1. Income Statement For U.S. Retail Trade Corporations - Assets \$50 Million And Over

Item	2Q 2006	1Q 2006 ¹	2Q 2005 ¹
	(million dollars)		
Net sales, receipts, and operating revenues	484,174	464,080	442,583
Less: Depreciation, depletion, and amortization.....	8,939	8,677	8,218
Less: All other operating costs and expenses	452,367	432,175	413,273
Income (or loss) from operations	22,868	23,228	21,092
Interest expense	3,483	3,297	3,046
Net nonoperating income (expense)	2,080	2,798	3,062
Income (or loss) before income taxes.....	21,465	22,728	21,108
Less: Provision for current and deferred domestic income taxes	7,876	6,767	7,231
Income (or loss) after income taxes	13,589	15,961	13,876
Cash dividends charged to retained earnings in current quarter.....	3,206	3,537	3,226
Net income retained in business.....	10,383	12,424	10,650
Retained earnings at beginning of quarter	265,636	259,947	237,083
Other direct credits (or charges) to retained earnings (net)	(2,989)	(4,989)	(2,896)
Retained earnings at end of quarter.....	273,031	267,382	244,837

Table 2. Income Statement Ratios For U.S. Retail Trade Corporations - Assets \$50 Million And Over

Item	2Q 2006	1Q 2006 ¹	2Q 2005 ¹
	(cents)		
Net sales, receipts, and operating revenues	100.0	100.0	100.0
Less: Depreciation, depletion, and amortization	1.8	1.9	1.9
Less: All other operating costs and expenses	93.4	93.1	93.4
Income (or loss) from operations.....	4.7	5.0	4.8
Interest expense	0.7	0.7	0.7
Net nonoperating income (expense)	0.4	0.6	0.7
Income (or loss) before income taxes	4.4	4.9	4.8
Less: Provision for current and deferred domestic income taxes.....	1.6	1.5	1.6
Income (or loss) after income taxes	2.8	3.4	3.1

Table 3. Operating Ratios For U.S. Retail Trade Corporations - Assets \$50 Million And Over

Item	2Q 2006	1Q 2006 ¹	2Q 2005 ¹
	(percent)		
Annual rate of profit on stockholders' equity at end of period:			
Before income taxes	22.85	24.31	24.98
After income taxes	14.46	17.07	16.42
Annual rate of profit on total assets:			
Before income taxes	9.62	10.33	10.47
After income taxes.....	6.09	7.26	6.88

¹Revised.